

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
 Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Implementation of the Cable  
 Television Consumer Protection  
 and Competition Act of 1992

Cable Home Wiring

MM Docket No. 92-260

**COMMENTS OF THE CONSUMER ELECTRONICS GROUP  
 OF THE ELECTRONIC INDUSTRIES ASSOCIATION**

The Consumer Electronics Group of the Electronic Industries Association ("EIA/CEG") hereby responds to the Petition for Reconsideration filed by the NYNEX Telephone Companies ("NYNEX") on April 1, 1993.<sup>1</sup> NYNEX seeks reconsideration of a Report and Order released February 2,<sup>2</sup> concerning the cable home wiring provisions of the Cable Television Consumer Protection and Competition Act of 1992.<sup>3</sup> EIA/CEG strongly agrees with NYNEX regarding the desirability of enabling cable subscribers to control their cable home wiring immediately upon installation, and not merely after cable service is terminated.<sup>4</sup>

This proceeding was initiated to implement the congressional directive that the Commission "prescribe rules concerning the disposition, after a subscriber to a cable system terminates services, of any cable installed by the cable operator within the premises of such subscriber."<sup>5</sup> Working under a tight statutory deadline, the

<sup>1/</sup> By Public Notice, the date for submitting comments on NYNEX's and two other parties' petitions for reconsideration was fixed as May 18, 1993. 58 Fed. Reg. 26323 (May 3, 1993).

<sup>2/</sup> 8 FCC Rcd 1435 (1993)("Order").

<sup>3/</sup> Pub.L. No. 102-385, 106 Stat. 1460 (1992)("Cable Act").

<sup>4/</sup> Petition for Reconsideration of the NYNEX Telephone Companies at 56 MM

Commission felt compelled to limit its initial decision to establishing rules applicable when service is terminated.<sup>6</sup> But the Commission also acknowledged that a diverse group of parties had advocated adoption of a comprehensive regulatory scheme for cable home wiring based on the rules applicable to telephone companies<sup>7</sup> and that "broader cable home wiring rules could foster competition."<sup>8</sup> Now that the problem of "time constraints" is no longer a factor,<sup>9</sup> NYNEX's petition provides an opportunity for the Commission to revisit this issue with a broader focus.

In the interim, the Commission has already taken a significant stride in the right direction. In the proceeding establishing rate regulation rules for cable companies, the Commission has adopted the same 12-inch demarcation that earlier had been established in the order now under review in this proceeding.<sup>10</sup> It is not yet completely clear whether this will result in the complete unbundling of rates for cable home wiring from the charges for cable services, but that appears to be what the Commission intends.<sup>11</sup> If so, this is welcome progress, but (1) it still does not ensure that cable subscribers have the opportunity to secure home wiring from vendors other than cable companies, (2) nor does it enable cable subscribers to use their home wiring with the same flexibility that now applies to ex-subscribers once service has been

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<sup>6/</sup> Order at ¶ 6.

<sup>7/</sup> Id. Parties advocating this position included telephone companies, electronics equipment manufacturers, utilities, alternative video distribution providers, a local franchising authority, and consumers. Id. at n.11.

<sup>8/</sup> Id. at ¶ 6.

<sup>9/</sup> Under the statute, the Commission was compelled to complete the cable home wiring proceeding within a mere 120 days after the Cable Act became law. Cable Act at § 16(d). No such deadline applies to this reconsideration proceeding.

<sup>10/</sup> Implementation of Sections of the Cable Television Consumer Protection and Competition Act of 1992, Cable Rate Regulation, at 176 n.666, FCC 93-177, MM Docket No. 92-266 (released May 3, 1993).

<sup>11/</sup> See generally id. at Appendix C, § 76.923(a)(4) & (b).

terminated (assuming that title has been transferred through purchase by the subscriber or abandonment by the cable company).

EIA/CEG continues to favor allowing consumers to own or lease their cable home wiring and to choose the quality, configuration, and usage of wiring that best suit their needs. Such an approach would limit the exercise of monopoly power in the wiring market and, by making it easier for consumers to shift from cable service to an alternative video distribution service, could help to dissipate market power in the video programming delivery market. Moreover, establishment of a single boundary between the cable service and the consumer's in-home environment could also simplify resolution of existing compatibility problems and prevent new generations of compatibility problems from arising.<sup>12</sup>

Adoption of generalized demarcation policies would have other benefits as well. It would facilitate assignment of costs to cost-causative users. It would give consumers the same freedoms with respect to cable wiring that they already enjoy with phone lines and power lines. It would eliminate an artificial distinction between the regulatory regimes for telephone and cable companies, at a time when differences between the two industries are beginning to blur. Finally, as discussed in EIA/CEG's initial comments in this proceeding, appropriate demarcation rules will promote the

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<sup>12/</sup> The Congress has instructed the Commission to investigate and report "on means of assuring compatibility between televisions and video cassette recorders and cable systems, so that cable subscribers will be able to enjoy the full benefit of both the programming available on cable systems and the functions available on their televisions and [VCRs]." Cable Act at § 17, to be codified at 47 U.S.C. § 624A. The Commission has initiated an inquiry to review compatibility issues. Unfortunately, the cable industry seems to believe that the best way to ensure compatibility is to deploy more converter boxes, A/B switches, splitters, and complicated wiring configurations -- despite the additional complexity and expense that will result for consumers. See generally Reply Comments of EIA/CEG, at 4-7, ET Docket No. 93-7 (Apr. 21, 1993). Appropriate demarcation policies could reduce the danger of such approaches being pursued and increase the likelihood that the cable companies would use consumer-friendly "point-of-entry" approaches to signal security.

development and use of applications using the coaxial cable portion of the Consumer Electronics Bus standard.

For all the foregoing reasons, EIA/CEG supports the petition of reconsideration filed by NYNEX insofar as that petition seeks to terminate the cable companies' provision of cable services at the point of entry to the subscriber's premises and to foster a competitive environment for the provision and use of cable home wiring.

Respectfully submitted,

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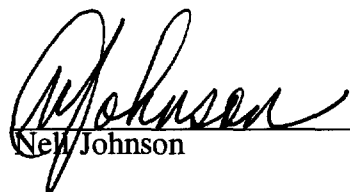
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May 18, 1993

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing COMMENTS OF THE CONSUMER ELECTRONICS GROUP OF THE ELECTRONIC INDUSTRIES ASSOCIATION was served, this 18th day of May, 1993, by first class mail, postage prepaid, upon:

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